Credit by Banks/Financial Institutions to Private Steel Producing Companies

1481. SHRI VAYALAR RAVI: Will the Minister of FINANCE be pleased to state:

(a) the details of the financial institutions including Nationalised Banks which have given credit of Rs. 25 crores and above to the Private Steel producing companies during 1998-99; and

(b) the details of such companies, credit amount and the institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) and (b) Both financial institutions and public sector banks have sanctioned assistance of over Rs. 25 crores to different Steel producing companies during the year 1998-99. Institution-wise (excluding public sector banks) assistance sanctioned to such steel companies during 1998-99 is as under:

	Rs. Crores
IDBI	711.00
ICICI	673.00
IFCI	424.50
IIBI	30.00

RBI has reported that credit limit sanctioned to private steel companies by public sector banks as on the last Friday of quarter ending September 1998 (latest available) was Rs. 3430.75 crores and balance outstanding was Rs. 2545.45 crores respectively. However, in accordance with practices and usages customary amongst the bankers and in accordance with the provisions of statutes governing the public sector financial institutions and the provisions of the obligation as to Fidelity and Secrecy Act 1983, details of the individual companies, are not divulged by the financial institutions and banks.

Account of Collection of Income-tax and Union Excise Duties

1482. SHRI C.O. POULOSE: Will the Minister of FINANCE be pleased to state:

(a) whether Government maintain. State-wise account of collection of Income-tax and Union Excise duties;

(b) if so, State-wise details thereof during the Seventh and Eighth Plan periods; and

(c) if not, on what basis of State-wise distribution of Income-tax basic and additional excise duties are made?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) No, Sir.

(b) Does not arise.

(c) Distribution of shareable taxes and duties i.e. Income tax, Basic Excise duties and Additional Excise duties in lieu of Sales Tax, is made on the recommendation of the Finance Commission. The share of individual States is distributed according to the percentage of the total collection as prescribed by the Commission.

Equity Swap in PSUs

1483. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item "Equity swap sends PSUs into Tailspin" appearing in Business Standard dated the 15th February, 1999;

(b) if so, what is Government's reaction thereto;

(c) the action taken by Government to arrest the continuing erosion; and

(d) if not, the steps proposed by Government to mop up the eroded amount as well as to stop further erosion?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Yes, Sir.

(b) The share prices of the Companies in Petroleum and Oil Sector are on the decline internationally. The share price movement in the Capital Markets cannot be attributed to any single factor and it is not possible to identify the precise reason for the decline in the share prices of Oil Companies.

(c) and (d) Do not arise.

Bad Debts Written off by Banks and FIs

1484. SHRI J. CHITHARANJAN:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Non-performing Assets (NPAs) of Banks and Financial Institutions have grown alarmingly recently;

(b) if so, the details of the bad debts written off by each of the public sector banks and financial institutions as on 31st December, 1998 and how do they compare with that on 31st December, 1997; and

(c) what steps are being taken to control the overgrowing rate of NPAs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) The non-performing assets (NPAs) of public sector banks have come down in percentage terms. The net NPAs of public sector banks have come down from 9.18% as on 31.3.1997 to 8.15% as on 31.3.1998. In the case of the financial institutions the net NPAs have come down between 31.3.1997 and 31.3.1998 as detailed below:

NPA (NET OF PROVISIONING & WRITTEN OFF)

AS PERCENTAGE OF TOTAL LOANS		
Name of the FI	31.3.1997	31.3.1998
IDBI	10.3	10.1
ICICI	7.8	7.7
IFCI	13.9	13.6
IIBI	17.6	12.7

RBI has reported that the information regarding non-performance assets (NPAs) and bad debts written off are compiled as on 31st March every year. Information regarding bad debts written off by the public sector banks, IDBI, ICICI, IIBI and IFCI during the last two years i.e. 1996-97 and 1997-98 is given in the Statement (*See* below).

(b) Reserve Bank of India/Government have advised the banks to take steps not only to check the incidence of fresh NPAs but also to take effective measures for recovery of existing NPAs. Steps taken by the Banks/Reserve Bank of India/Government inter-alia include the following:—

(i) At the instance of Reserve Bank of India/Government, banks have laid down their loan policy and loan recovery policy.

(ii) Banks have set up Recovery Cells at their Head Offices. Branch-wise recovery targets are fixed and recovery is monitored by the Recovery Cell. Recovery performance is reviewed at different levels within the banks.

(iii) Ten Debt Recovery Tribunal and one Debt Recovery Appellate Tribunal have been set up by the Government.

(iv) Banks are recovering NPAs through negotiated settlements which envisage that recovery is to the maximum extent possible at the